

## CITY COUNCIL CONFERENCE MINUTES

March 9, 2010

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in conference at 5:00 p.m. in the Municipal Building Conference Room on the 9th day of March, 2010, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

**PRESENT:**

Councilmembers Atkins, Butler, Cubberley, Dillingham, Ezzell, Griffith, Kovach, Quinn, Mayor Rosenthal

**ABSENT:**

None

**DISCUSSION REGARDING CHANGE ORDER NO. ONE TO CONTRACT NO. K-0708-135 WITH STEWART BROTHERS DRILLING, INC., DECREASING THE CONTRACT AMOUNT BY \$779,215 FOR THE PHASE 2 WELLFIELD CONSTRUCTION PROJECT AND FINAL ACCEPTANCE OF THE PROJECT.**

The Norman Utilities Authority, in its meeting of June 24, 2008, approved Contract No. K-0708-135 with Stewart Brothers Drilling, Inc., in the amount of \$3,724,940 for the drilling of 14 exploratory (test) water wells to provide for the construction of 12 municipal production wells. Mr. Jim Speck, Capital Projects Engineer, said only 13 test wells were drilled as one was eliminated due to site restrictions. He said 10 of the test wells had sufficient quality and quantity to be converted to production wells and three were abandoned. He said due to the elimination of three well sites the final contract amount was reduced to \$2,945,725, which was a net decrease of \$779,215. He said the project is complete and is scheduled for the Authority's acceptance in its regular meeting later this evening.

**Items submitted for the record**

1. Memorandum dated February 23, 2010, from Jim Speck, Capital Projects Engineer, to Norman Utilities Authority
2. Change Order No. One to Contract No. K-0708-135

**Participants in discussion**

1. Mr. Jim Speck, Capital Projects Engineer

**CONTINUED DISCUSSION REGARDING THE FYE 2011 CAPITAL BUDGET AND THE FYE 2011 THROUGH FYE 2015 CAPITAL IMPROVEMENTS PLAN.**

Mr. Shawn O'Leary, Director of Public Works, provided background information on the Robinson Street Grade Separation Project and said when the 2005 General Obligation Bonds were approved for the project, it was proposed funding was to be 50% Federal funds and 50% City funds with a total project estimate of \$18 million. He said in 2008 the project budget estimate totaled \$25,942,831, but after estimates were updated in 2009 the overall project estimate was reduced to \$23,171,255, an 11% reduction. He said the Oklahoma Department of Transportation (ODOT) opened bids for the project on February 18, 2010, and due to the current bidding environment, bids were very favorable. He said the low bid in the amount of \$12,207,431 was received from Manhattan Construction Company. The overall project costs include the construction bid in the amount of \$12,207,431, the Burlington Northern and Santa Fe Railroad Force Account in the amount of \$2,783,537, and ODOT's construction administration charges in the amount of \$899,458.08 for a total project cost of \$15,890,426.08.

Mr. O'Leary said this project has been somewhat unique due to multiple funding sources. He said the Federal funds for the project include Transportation Community and System Preservation (TCSP), High Priority Projects (HPP), stimulus, and Surface Transportation Program-Urbanized Area (STP-UZA) funds totaling \$14,648,826 and the City's required matching funds totaling \$2,894,933.25. He said \$2,375,483.25 has already

been spent for engineering design, right-of-way, and utility relocation leaving a balance of \$519,450 of local match to be used towards construction combined with the \$14,648,826 Federal funds for a total construction budget of \$15,168,276, which is \$722,150 short of the project cost. He said as the project proceeded, bond funds were used first because at the time, it was felt bonds funds would not cover all of the City's portion and the design, right-of-way, and utility relocation would have to be paid locally anyway. Now that the costs of the project have been reduced and we are now under the original bond projections, staff has gone back to ODOT and asked whether the prepaid funds of \$3,340,203 (bond funds) could be used as the 20% matching cash funds on the TCSP. ODOT said it is eligible and both the Federal Highway Administration and the Association of Central Oklahoma Governments (ACOG) have approved it. When ACOG funneled the additional \$700,000 in stimulus funds to the project, they wanted it to be used to pay down their portion of the STP-UZA funds reducing that amount from \$3,297,250 to \$2,597,250. He said when Council approved the contract with ODOT in December, ODOT estimated the City's share at \$3,340,203. After applying the previously paid dollars, Staff feels the City has overpaid and should have only paid \$1,241,600.08 leaving a refund to the City in the amount of \$2,098,602.92. He said Staff sent a letter to ODOT requesting the reimbursement, but ODOT has some reservations about reimbursing the City \$2,098,602.92. He said if the refund is paid, the funds would go back to the bond account since that is where the funds originated.

Councilmember Cubberley asked if there is any other money the City would owe for this project and Mr. O'Leary said barring any unforeseen change orders, the only other item would be enhanced landscaping of the area which totals approximately \$200,000. Councilmember Cubberley asked if the refund of bond proceeds could be used to fund the landscaping and Mr. O'Leary said it could.

Ms. Linda Price, Revitalization Manager, provided an overview of the FYE 2011 Capital Budget and the Five Year Capital Improvements Plan. She said the previous Capital Fund summary provided in Council's Budget Retreat on February 18, 2010, did not include updated revenue projections due to the decreased sales tax receipts. The updated revenue projections resulted in a reduction of \$1.3 million in FYE 2010 and \$1.3 in FYE 2011. She said the updated revenue projections required the elimination of three projects from the FYE 2011 Capital Budget and specific circumstances led to the selection of those projects. The projects to be eliminated were the Smalley Center Renovation Project in the amount of \$964,000; 24th Avenue S.E. Widening Project - Lindsey to Alameda in the amount of \$475,000, and the Cleveland Area Rapid Transit (CART) rolling stock in the amount of \$275,000. She said staff is not certain when Smalley Center will be vacated and the ownership transferred to the City and it could be as late as January, 2011. She said staff could proceed with the design portion and schedule the construction for FYE 2012. The 24th Avenue S.E. project was originally scheduled to begin in FYE 2012, but was moved forward to FYE 2011 at the beginning of this year's budget process; therefore, pushing it back to FYE 2012 will not pose any problems. The CART rolling stock was budgeted for use as matching funds in conjunction with a grant CART is applying for. She spoke with CART and they felt the grant would not be available to them this year and it will be put back in for FYE 2011.

Mayor Rosenthal asked if design funds for the Smalley Center were budgeted and Ms. Price said funding is available in the FYE 2010 Budget. Mayor Rosenthal asked if the City was at risk for a penalty if the occupation of the Smalley Center was delayed and Ms. Price said not since staff will proceed with the design in FYE 2010 and the renovation will be scheduled for FYE 2012. Ms. Price said as long as the intended use does not change from what was proposed no penalties would be assessed.

Councilmember Cubberley said he appreciated the efforts to keep the maintenance projects for facilities in the proposed FYE 2011 Budget as the facilities are at risk in their current condition.

City Manager Steve Lewis said requests were made at the February 18th Budget Retreat for a couple of sidewalk projects and asked staff to report on the estimates. Mr. Bob Hanger, City Engineer, said the two sidewalk projects totaling \$109,000 were proposed for the north side of Lindsey Street between McGee and Wylie and along Vine Street between Aladdin and McGee. Councilmember Kovach said the sidewalk proposed

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on Vine would also address Americans with Disabilities (ADA) concerns and if revenue projections come in better than expected, he would like to have this sidewalk added.

Mayor Rosenthal suggested Council conduct a mid-year budget review during FYE 2011 and if revenue is higher than projected, consider making mid-year budget appropriations to address some of the needs that were not included due to the current budget constraints.

Items submitted for the record

1. Robinson Street Underpass Project funding summary
2. Memorandum dated March 8, 2010, from Linda R. Price, Revitalization Manager, to Honorable Mayor and Council Members
3. Capital Fund Summary discussed at the February 18, 2010, Budget Retreat
4. Fund 50 Summary dated March 9, 2010
5. Fund 50 – New Project Requests Proposed for Funding dated March 9, 2010
6. Fund 50 – Proposed FYE 11 Capital Budget and FYE 12-15 Plan dated March 9, 2010

Participants in discussion

1. Mr. Steve Lewis, City Manager
2. Mr. Shawn O'Leary, Director of Public Works
3. Mr. John Clink, Capital Projects Engineer
4. Ms. Linda Price, Revitalization Manager
5. Mr. Anthony Francisco, Finance Director
6. Ms. Brenda Hall, City Clerk
7. Mr. Jud Foster, Director of Parks and Recreation
8. Mr. Bob Hanger, City Engineer

The meeting adjourned at 6:00 p.m.

ATTEST:

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Deputy City Clerk

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Mayor